

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v

Case No. 18-11559

Honorable Thomas L. Ludington

RANDY J. CHAFFEE
STATE OF MICHIGAN
OTSEGO COUNTY,

Defendants.

**ORDER DIRECTING PLAINTIFF TO SUBMIT PROPOSED JOINT STIPULATION
REGARDING PRIORITY TO DEFENDANT CHAFFEE'S PROPERTY**

On May 17, 2018, Plaintiff the United States of America filed a complaint against Defendant Randy J. Chaffee. ECF No. 1. Plaintiff seeks to obtain a judgment for Chaffee's unpaid taxes and unpaid tax penalties and to enforce tax liens on Chaffee's real property. The complaint was referred to Magistrate Judge Patricia Morris for resolution of pretrial matters. ECF No. 11. On May 30, 2019, Chaffee filed a motion to dismiss. ECF No. 26. The next day, Plaintiff filed a motion for partial summary judgment against Chaffee. ECF No. 24. Judge Morris issued a report, recommending that Chaffee's motion to dismiss be denied and Plaintiff's motion for partial summary judgment be granted. ECF No. 35. Chaffee subsequently filed objections to Judge Morris's report and recommendation. ECF No. 37. On March 30, 2020, the Court overruled Chaffee's objections and adopted the Report and Recommendation. ECF No. 46. Chaffee then moved the Court to amend its order overruling his objections to the Report and Recommendation. ECF No. 47. On August 11, 2020, the Court denied Chaffee's motion to amend and ordered Plaintiff to submit a proposed judgment. ECF No. 51.

Plaintiff submitted a proposed judgment on August 11, 2020. Plaintiff asks the Court to decree that “the Property shall be sold, free and clear of all rights, titles, claims, and interests of the parties to this action, with no right of redemption and with the proceeds of the sale to be distributed in accordance with law.” However, Plaintiff has not submitted a proposed joint stipulation resolving the issue of priority to Chaffee’s property. Plaintiff previously represented that it intended to resolve the issue of priority by stipulation with the State of Michigan and Otsego County. ECF No. 24 at PageID.129 n. 1. Plaintiff has not since advised the Court on the status of this stipulation. The Court reminded Plaintiff of its representation in the Court’s recent order denying Chaffee’s motion to amend and directing Plaintiff’s proposed judgment. ECF No. 51 at PageID.537 n. 1.

Pursuant to 26 U.S.C. § 7403(b), the Court must “adjudicate all matters involved” in this action and “finally determine the merits of all claims to and liens upon the [Defendant’s] property.” The Court must also, in the event of a sale, distribute the proceeds “according to the findings of the court in respect to the interests of the parties and the United States.” 26 U.S.C. § 7403(b). Indeed, Plaintiff previously agreed that the issue of priority “need[ed] to be decided” should the “[Plaintiff] prevail and the Court order the enforcement of the federal tax liens through a judicial sale of the property.” ECF No. 24 at PageID.129 n. 1.

Accordingly, it is **ORDERED** that the Government is **DIRECTED** to submit a joint stipulation regarding priority to Defendant Randy J. Chaffee’s property as between Plaintiff and Defendants the State of Michigan and Otsego County on or before **September 2, 2020**.

Dated: August 20, 2020

s/Thomas L. Ludington
THOMAS L. LUDINGTON
United States District Judge

PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing order was served upon each attorney of record herein by electronic means and upon Randy J. Chaffee, at 1794 McGregor Road, Vanderbilt, MI 49795 first class U.S. mail on August 20, 2020.

s/Suzanne Gammon
SUZANNE GAMMON